

A nonprofit organization of individuals from various professions in the field of public health and welfare organized to develop greater efficiency in the professions and solve common problems qualifies for exemption under section 501(c)(6) of the Code.

Advice has been requested whether the nonprofit organization described below qualifies for exemption from Federal income tax under section 501(c)(6) of the Internal Revenue Code of 1954.

The organization's membership is open to persons engaged in various professions concerned with public health and welfare. These persons are united for the purpose of promoting a common business interest and improving their business conditions by exchanging knowledge and information in the field of public health and welfare and the improvement of professional services and techniques.

The organization's activities consist of holding seminars, lectures, symposia, and discussions to provide an interdisciplinary forum for the exchange of ideas. It also disseminates information about legislative developments affecting the general areas of common concern. All of the organization's activities are financed out of membership dues.

Section 501(c)(6) of the Code provides for the exemption from Federal income tax of nonprofit business leagues whose net earnings do not inure to the benefit of any private shareholder or individual.

Section 1.501(c)(6)-1 of the Income Tax Regulations defines a business league as an association of persons having a common business interest. The activities of the association must be directed to the improvement of business conditions of one or more lines of business as distinguished from the performance of particular services for individual persons.

The organization's activities promote the business and professional interests of the members by increasing the effectiveness of the interaction among the various professions, by developing greater efficiency in the professions, and by solving problems common to the professions. Accordingly, it is held that the organization is exempt from Federal income tax under section 501(c)(6) of the Code. The fact that the membership is composed of individuals from a variety of professions does not prevent the organization from qualifying under section 501(c)(6), because the members all have a common business interest in the field of public health and welfare.

Compare Revenue Ruling 59-391, C.B. 1959-2, 151, which holds that an organization, composed of individuals, firms, associations, and corporations, each representing a different

trade, business, occupation, or profession, is not exempt from Federal income tax under section 501(c)(6) of the Code where it is organized for the purpose of exchanging information on business prospects and its members have no common business interest other than a desire to increase their individual sales.

Even though an organization considers itself within the scope of this Revenue Ruling, it must file an application on Form 1024, Exemption Application, in order to be recognized by the Service as exempt under section 501(c)(6) of the Code. The application should be filed with the District Director of Internal Revenue for the district in which is located the principal place of business or principal office of the organization. See section 1.501(a)-1 of the regulations.